

EXECUTIVE AND OTHER
COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3535. A communication from the Secretary of Defense, transmitting, pursuant to law, a report on the China Joint Defense Conversion Commission; to the Committee on Armed Services.

EC-3536. A communication from the Chairman and Chief Executive Officer of the Farm Credit Administration, transmitting, pursuant to law, the report of a rule entitled "Book-entry Procedures for Federal Agricultural Mortgage Corporation Securities," (RIN3052-AB70) received on July 23, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3537. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Mexican Fruit Fly Regulations," received on July 24, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3538. A communication from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Oranges, Grapefruit, Tangerines, and Tangelos Grown in Florida," received on July 24, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3539. A communication from the Assistant to the Board, Federal Reserve System, transmitting, pursuant to law, the report of a rule entitled "Regulation K," received on July 25, 1996; to the Committee on Banking, Housing, and Urban Affairs.

EC-3540. A communication from the Assistant Chief Counsel, Office of Thrift Supervision, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Management Official Interlocks," received on July 24 1996; to the Committee on Banking, Housing, and Urban Affairs.

INTRODUCTION OF BILLS AND
JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DORGAN (for himself and Mr. REID):

S. 1993. A bill to require certain expenditures by the Federal Reserve System to be made subject to congressional appropriations, to prohibit the maintenance of surplus accounts by Federal reserve banks, to provide for annual independent audits of Federal reserve banks, to apply Federal procurement regulations to the Federal Reserve System, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. PRESSLER:

S. 1994. An original bill to amend title 49, United States Code, to reauthorize programs of the Federal Aviation Administration, and for other purposes; from the Committee on Commerce, Science, and Transportation; placed on the calendar.

By Mr. WARNER (for himself, Mr. FORD, Mr. ROBB, Mr. MOYNIHAN, Mr. SIMPSON, Mr. COCHRAN, and Mr. GLENN):

S. 1995. A bill to authorize construction of the Smithsonian Institution National Air and Space Museum Dulles Center at Wash-

ington Dulles International Airport, and for other purposes; to the Committee on Rules and Administration.

By Mr. BIDEN:

S. 1996. A bill to amend the Violent Crime Control and Law Enforcement Act of 1994 to allow certain grant funds to be used to provide parent education; to the Committee on the Judiciary.

By Mr. SIMON:

S. 1997. A bill to clarify certain matters relating to Presidential succession; to the Committee on Rules and Administration.

By Mr. ASHCROFT:

S.J. Res. 57. A joint resolution requiring the Congressional Budget Office and the Joint Committee on Taxation to use dynamic economic modeling in addition to static economic modeling in the preparation of budgetary estimates of proposed changes in Federal revenue law; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

SUBMISSION OF CONCURRENT AND
SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SPECTER (for himself, Mr. HELMS, Mr. BENNETT, and Mr. FAIRCLOTH):

S. Res. 283. A resolution to express the sense of the Senate concerning creation of a new position in the White House as Senior Advisor on Religious Persecution; to the Committee on Foreign Relations.

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Res. 284. A resolution to authorize the production of records by the Permanent Subcommittee on Investigations; considered and agreed to.

STATEMENTS ON INTRODUCED
BILLS AND JOINT RESOLUTIONS

By Mr. DORGAN (for himself and Mr. REID):

S. 1993. A bill to require certain expenditures by the Federal Reserve System to be made subject to congressional appropriations, to prohibit the maintenance of surplus accounts by Federal Reserve banks, to provide for annual independent audits of Federal Reserve banks, to apply Federal procurement regulations to the Federal Reserve System, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE FEDERAL RESERVE FISCAL RESPONSIBILITY
ACT OF 1996

Mr. DORGAN. Mr. President, today Senator REID and I are introducing legislation to eliminate the kinds of budgetary excesses and accountability lapses at the Federal Reserve Board that were recently uncovered by the General Accounting Office [GAO]. At a time when many Federal agencies are downsizing and making tough choices about their spending priorities, the Federal Reserve ought to be tightening its belt too. Regrettably, however, the opposite appears to be the case at the Federal Reserve.

During the past several years, Congress has embarked on a historic and painful path toward deficit reduction. Since 1993, the Federal deficit has been slashed by more than one half.

The Federal Reserve Board's Chairman, Alan Greenspan, has been one of the loudest cheerleaders for deficit reduction. But a one-of-a-kind GAO report about Federal Reserve expenditures between 1988 and 1994 shows us that Chairman Greenspan apparently hasn't been practicing what he preaches.

A few weeks ago, the GAO released the final version of its comprehensive report about the management of the Federal Reserve System. This report, which took the GAO over 2 years to assemble, uncovers disturbing financial practices and management failures within the Federal Reserve System. The report is packed with examples where the Fed could substantially trim costs, and makes specific recommendations for changes in Fed operations. Unfortunately, the Federal Reserve has already dismissed most of the GAO's recommendations as irrelevant or unnecessary.

The GAO report shows that during the late 1980's and early 1990's that Federal Reserve expenditures jumped by twice the rate of inflation. While Fed employee benefits and travel costs are out-pacing inflation, the rest of the Federal Government has been downsizing. For example, between 1988 and 1994, Federal Reserve employee benefit costs skyrocketed by nearly 100 percent—as compared to about 60 percent for the Federal Government—according to the GAO report.

The report also reveals that over 120 Federal Reserve employees actually make more than Chairman Greenspan. In fact, overall personnel cost increases at the Federal Reserve represented over 70 percent of the total growth in the Fed's operating expenses during the years examined by the GAO. This runaway spending is remarkable given Chairman Greenspan's rhetoric about the need for belt-tightening in the rest of the government.

Inexplicably the Federal Reserve also keeps a \$3.7 billion cash surplus account of taxpayer's money to protect against losses, despite the fact that the Fed hasn't suffered a loss for 79 consecutive years.

Senator REID and I are introducing legislation today to address these problems. Our bill, the Federal Reserve Fiscal Responsibility Act of 1996, includes many of the changes recommended by the GAO. It would do the following:

First, the GAO, in consultation with the Federal Reserve, will identify and report to Congress a list of the Federal Reserve System activities that are not related to the making of monetary policy. After the report is completed, all nonmonetary policy expenditures, as identified by the GAO, would be subject